



# Department of Justice

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## **VIRGINIA EXECUTIVE AGREES TO PLEAD GUILTY TO BID RIGGING ON CONTRACTS WITH THE U.S. NAVY AND OTHERS**

WASHINGTON — The vice president of a Virginia marine products company has agreed to plead guilty, serve a sentence and pay a criminal fine for his role in a conspiracy to rig bids and allocate customers with respect to marine products purchased by the U.S. Navy, the U.S. Coast Guard, and other public and private entities, the Department of Justice announced today.

William Alan Potts, a British citizen who is vice president of a marine products company located in Clearbrook, Va., entered a plea agreement today in the U.S. District Court in Norfolk, Va. According to the one-count felony charge, Potts participated in a conspiracy between December 2000 and May 2003 to allocate customers and rig bids for contracts to sell plastic marine pilings. The conspirators discussed and agreed among themselves which of them would win contracts from the Department of Defense (DOD), the Department of Homeland Security and others. The conspirators engaged in discussions by telephone, facsimile and electronic mail, the Department said.

Under the plea agreement, which is subject to court approval, Potts has agreed to cooperate with the Department's ongoing investigation. Potts' previous and continuing cooperation will be considered by the court at sentencing. His fine will be determined by the court. Potts is the fourth executive to agree to plead guilty in the Department of Justice's ongoing antitrust investigation in the marine products industry.

Plastic marine pilings are substitutes for traditional wood timber pilings. They are often used in port and pier construction projects where durability and environmental considerations make them an alternative to traditional wood pilings.

"Today's charges underscore our continuing commitment to ensure competition for both government and commercial contracts for products critical to our defense and commercial infrastructure," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

"DOD contractors who engage in illegal bid-rigging and price-fixing schemes are wasting DOD resources and ultimately compromising the safety of DOD's most valuable assets," said

Geoffrey A. Cherrington, Special Agent in Charge of the DOD's Defense Criminal Investigative Service (DCIS) in Arlington, Va. "DCIS will continue to aggressively pursue this kind of criminal activity."

Potts' former supervisor, Robert Taylor, previously pleaded guilty to multiple felony counts, including charges that he participated in the plastic marine pilings conspiracy. Taylor agreed to serve time in prison and pay a \$100,000 criminal fine. Other executives to plead guilty in this investigation have included Donald Murray, a former chief financial officer of Potts' employer, who agreed to plead to two felony counts. He was charged for participating in the bid-rigging and customer allocation conspiracy among manufacturers of foam filled marine fenders and buoys. Murray agreed to serve 18 months in prison and pay a \$75,000 criminal fine. Gerald Thermos, a California executive, also pleaded guilty and agreed to serve four months in jail and serve four months in home detention, and pay a \$50,000 criminal fine for his involvement in a related bid-rigging and customer allocation conspiracy. Taylor, Murray and Thermos have not been sentenced yet.

The bid rigging charge, a violation of the Sherman Act, carries maximum penalties for each count of three years in prison, three years of supervised release, and a \$350,000 fine for an individual for violations occurring before June 22, 2004. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The ongoing investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section, the DOD's Office of Inspector General, DCIS, and the U.S. Navy Criminal Investigative Service.

Today's charge is an example of the Department's commitment to protect U.S. taxpayers from public procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative announced in October 2006 is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs.

Anyone with information concerning bid rigging or other anticompetitive conduct regarding marine fenders, plastic marine pilings, or related products is urged to call the National Criminal Enforcement Section of the Antitrust Division at (202) 307-6694 or the Arlington Office of the DCIS at 703-604-8439.

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